

DDI 564 1515

6 March 1964

**MEMORANDUM FOR: Deputy Director for Support**

**SUBJECT : Procurement Policy**

1. The DD/I is certainly in agreement with the Agency's policy toward competitive bidding and incentive contracting. The inherent benefits are desirable and beneficial.

2. However, we are gravely concerned that the conditions of the proposed notice will generate additional delays without materially improving the over-all contracting process. Owing to sheer volume perhaps, proposals submitted to Procurement Division sometimes do not reach the interested Office until days and weeks after having left the contractor. In our opinion the proposed notice will only augment these delays.

3. Of all the DD/I Offices it is NPIC that is most affected, first because of the volume of contract activity and second because of the developmental nature of the work involved. Because of the technical intricacies and uncertainties at the preliminary stages NPIC feels that it must be able to solicit proposals directly as presently spelled out in the Procurement Handbook. The interest at this stage is not in the details of contract terms but in the order of magnitude of costs and the basic query, "Can the contractor perform the work?" NPIC now has a full-time contracting officer assigned from Procurement Division who is apprised of every contract development. His close relationship with and knowledge of NPIC's activity in this field seem sufficient without the additional requirement of forwarding every paper through Procurement Division.

4. Again, let me emphasize that our concern is chiefly over the time required to handle all requests for proposals through Procurement Division. I suggest as a solution that Para. 3 of the proposed notice be rewritten to read "All proposals, other than technical 'state of the art' explorations, will be coordinated with the Office of Logistics, or a representative thereof."

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*for*  
RAY S. CLINE  
Deputy Director (Intelligence)